

**TAMA COUNTY**

**Independent Auditors' Reports  
Basic Financial Statements and Supplementary Information  
Schedule of Findings  
June 30, 2021**

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# Tama County

## Officials

### (Before January 2021)

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Kendall Jordan	Board of Supervisors	January 2021
Dan Anderson	Board of Supervisors	January 2021
Larry Vest	Board of Supervisors	January 2023
Laura Kopsa	County Auditor	January 2021
Michelle Yuska	County Treasurer	January 2023
Deborah Kupka	County Recorder	January 2023
Dennis Kucera	County Sheriff	January 2021
Brent D. Heeren	County Attorney	January 2023
Wesley Ray	County Assessor	January 2021

### (After January 2021)

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Larry Vest	Board of Supervisors	January 2023
Dan Anderson	Board of Supervisors	January 2025
Bill Faircloth	Board of Supervisors	January 2025
Laura Kopsa	County Auditor	January 2025
Michelle Yuska	County Treasurer	January 2023
Deborah Kupka	County Recorder	January 2023
Dennis Kucera	County Sheriff	January 2025
Brent D. Heeren	County Attorney	January 2023
Wesley Ray	County Assessor	January 2022



## C E R T I F I E D   ♦   P U B L I C   ♦   A C C O U N T A N T S

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### Independent Auditors' Report

To the Officials of Tama County:

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Tama County, Iowa, as of and for the year ended June 30, 2021, and the related Notes to Financial Statements, which collectively comprise the County's basic financial statements listed in the table of contents.

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles. This includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Tama County as of June 30, 2021 and the respective changes in its financial position and, where applicable, its cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

## **Other Matters**

### *Required Supplementary Information*

U.S. generally accepted accounting principles require Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the County's Proportionate Share of the Net Pension Liability, the Schedule of County Contributions and the Schedule of Changes in the County's Total OPEB Liability, Related Ratios and Notes on pages 4 through 10 and 53 through 62 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Tama County's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the nine years ended June 30, 2020 (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 5 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

## **Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated November 15, 2021 on our consideration of Tama County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Tama County's internal control over financial reporting and compliance.

*Bowman and Miller, P.C.*

November 15, 2021

# **MANAGEMENT'S DISCUSSION AND ANALYSIS**

Tama County provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2021. We encourage readers to consider this information in conjunction with the County's financial statements, which follow.

## **2021 FINANCIAL HIGHLIGHTS**

- Revenues of the County's governmental activities increased 45.4%, or approximately \$8,639,000, from fiscal year 2020 to fiscal year 2021. Property tax and tax increment financing revenues increased approximately \$191,000, operating grants, contributions and restricted interest increased approximately \$788,000, capital grants, contributions and restricted interest increased approximately \$7,758,000 and charges for services decreased approximately \$11,000.
- Program expenses of the County's governmental activities were 3.9%, or approximately \$791,000, less in fiscal year 2021 than in fiscal year 2020. Administration and county environment and education expenses increased approximately \$463,000 and \$159,000, respectively, while roads and transportation expenses decreased approximately \$1,473,000.
- The County's net position increased 20.2%, or approximately \$8,074,000, over the June 30, 2020 balance.

## **USING THIS ANNUAL REPORT**

The annual report consists of a series of financial statements and other information, as follows:

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the County's financial activities.

The Government-wide Financial Statements consist of a Statement of Net Position and a Statement of Activities. These provide information about the activities of Tama County as a whole and present an overall view of the County's finances.

The Fund Financial Statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report Tama County's operations in more detail than the government-wide financial statements by providing information about the most significant funds. The remaining financial statements provide information about activities for which Tama County acts solely as an agent or custodian for the benefit of those outside of County government (Custodial Funds).

Notes to Financial Statements provide additional information essential to a full understanding of the data provided in the basic financial statements.

Required Supplementary Information further explains and supports the financial statements with a comparison of the County's budget for the year, the County's proportionate share of the net pension liability and related contributions, as well as presenting the Schedule of Changes in the County's Total OPEB Liability, Related Ratios and Notes.

Supplementary Information provides detailed information about the nonmajor governmental and the individual Custodial Funds.

## **REPORTING THE COUNTY'S FINANCIAL ACTIVITIES**

### *Government-wide Financial Statements*

One of the most important questions asked about the County's finances is, "Is the County as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information which helps answer this question. These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting and the economic resources measurement focus, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account, regardless of when cash is received or paid.

The Statement of Net Position presents financial information on all of the County's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in the County's net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The Statement of Activities presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will not result in cash flows until future fiscal years.

The County's governmental activities are presented in the Statement of Net Position and the Statement of Activities. Governmental activities include public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, governmental services to residents, administration, interest on long-term debt and non-program activities. Property tax and state and federal grants finance most of these activities.

### *Fund Financial Statements*

The County has three kinds of funds:

- 1) Governmental funds account for most of the County's basic services. These focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. The governmental funds include: 1) the General Fund, 2) the Special Revenue Funds, such as Mental Health, Rural Services and Secondary Roads, 3) the Debt Service Fund and 4) the Capital Projects Fund. These funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund financial statements provide a detailed, short-term view of the County's general governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs.

The required financial statements for governmental funds include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances.

- 2) A proprietary fund accounts for the County's Internal Service, Employee Group Health Fund. Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the County's various functions.



The required financial statements for proprietary funds include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position and a Statement of Cash Flows.

- 3) Fiduciary funds are used to report assets held in a trust or custodial capacity for others which cannot be used to support the County's own programs. These fiduciary funds include Custodial Funds that account for E911 services, emergency management services and the County Assessor, to name a few.

The required financial statement for fiduciary funds is a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position.

Reconciliations between the government-wide financial statements and the governmental fund financial statements follow the governmental fund financial statements.

### **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of financial position. The analysis that follows focuses on the changes in the net position of governmental activities.

Net Position of Governmental Activities (Expressed in Thousands)		
	June 30,	
	2021	2020
Current and other assets	\$ 27,191	27,893
Capital assets	45,953	37,230
Total assets	73,144	65,123
Deferred outflows of resources	1,281	1,204
Long-term liabilities	14,251	14,222
Other liabilities	1,077	899
Total liabilities	15,328	15,121
Deferred inflows of resources	11,111	11,294
Net position:		
Net investment in capital assets	36,738	27,420
Restricted	12,861	13,833
Unrestricted	(1,613)	(1,341)
Total net position	\$ 47,986	39,912

Net position of Tama County's governmental activities increased 20.2% (approximately \$48 million compared to approximately \$39.9 million).

The largest portion of the County's net position is invested in capital assets (e.g., land, infrastructure, buildings and equipment), less the related debt. The debt related to the investment in capital assets is liquidated with resources other than capital assets. This net position category increased 34%, or approximately \$9.3 million, over the prior year due primarily to assets donated by the Iowa Department of Transportation.

Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. This net position category decreased approximately \$972,000, or 7%, from the prior year.

Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – decreased from a deficit of approximately \$1,341,000 at June 30, 2020 to a deficit of approximately \$1,613,000 at the end of this year, a decrease of 20%. This decrease is due to an increase in the net pension and total OPEB liabilities.

Changes in Net Position of Governmental Activities		
	Year ended June 30,	
	2021	2020
Revenues:		
Program revenues:		
Charges for service	\$ 1,446,783	1,458,176
Operating grants, contributions and restricted interest	6,355,898	5,567,620
Capital grants, contributions and restricted interest	8,016,743	258,832
General revenues:		
Property tax	9,441,264	9,269,712
Tax increment financing	389,295	369,489
Interest and penalty on property tax	85,611	44,090
State tax credits	650,013	728,972
Local option sales tax	736,537	613,415
Unrestricted investment earnings	60,936	171,745
Other general revenues	464,425	526,593
Total revenues	<u>27,647,505</u>	<u>19,008,644</u>
Program expenses:		
Public safety and legal services	3,716,218	3,608,574
Physical health and social services	1,841,517	1,832,545
Mental health	565,303	724,799
County environment and education	1,045,123	886,581
Roads and transportation	9,143,963	10,616,819
Governmental services to residents	619,926	623,936
Administration	2,291,896	1,829,087
Non-program	38,632	36,425
Interest on long-term debt	311,176	206,360
Total expenses	<u>19,573,754</u>	<u>20,365,126</u>
Change in net position	8,073,751	(1,356,482)
Net position beginning of year	<u>39,911,972</u>	<u>41,268,454</u>
Net position end of year	<u>\$ 47,985,723</u>	<u>39,911,972</u>

Tama County's governmental activities net position increased approximately \$8.1 million during the year. Revenues for governmental activities increased approximately \$8.6 million from fiscal year 2020 to fiscal year 2021. The total cost of all programs and services decreased by 3.9%. The County's capital grants, contributions and restricted interest increased 2,997% over the fiscal year 2020 due to an increase of \$5.9 million in infrastructure assets contributed by the Iowa Department of Transportation.

The cost of all governmental activities this year was approximately \$19.6 million compared to approximately \$20.4 million last year. However, as shown in the Statement of Activities on page 14, the amount taxpayers ultimately financed for these activities was approximately \$3.8 million because some of the cost was paid by those who directly benefited from the programs (approximately \$1.4 million) or by other governments and organizations that subsidized certain programs with grants and contributions (approximately \$14.4 million). Overall, the County's governmental program revenues, including intergovernmental aid and charges for services, increased in fiscal year 2021 from approximately \$7.3 million to approximately \$15.8 million. The County paid for the remaining "public benefit" portion of governmental activities (approximately \$3.8 million) with taxes (some of which could only be used for certain programs) and with other revenues such as interest and general entitlements. General revenues increased approximately \$104,000 from the prior year.

### **INDIVIDUAL MAJOR FUND ANALYSIS**

As Tama County completed the year, its governmental funds reported a combined fund balance of approximately \$13.5 million, a decrease of approximately \$1.1 million below last year's total of approximately \$14.6 million. The following are the major reasons for the changes in fund balances of the major funds from the prior year:

- General Fund revenues increased approximately \$1.64 million and expenditures increased approximately \$1.5 million when compared to the prior year. The ending fund balance declined approximately \$131,000, or 2.3% from the prior year to approximately \$5.5 million.
- The County has continued to look for ways to effectively manage the cost of mental health services. For the year, expenditures totaled approximately \$563,000, a decrease of 21.4% from the prior year. The Special Revenue, Mental Health Fund balance at year end increased approximately \$15,000 over the prior year.
- Special Revenue, Rural Services Fund expenditures decreased approximately \$264,000 over the prior year, due principally to the partial payment on the new E911 communication tower project made in the prior year. The Rural Services ending fund balance decreased approximately \$177,000
- Special Revenue, Secondary Road Fund revenues increased approximately \$1.8 million and expenditures increased approximately \$691,000. These increases were due primarily to the receipt of bridge replacement funding for a large bridge project and the related expenses for the project. This activity resulted in an increase in the Secondary Roads ending fund balance of approximately \$1 million.
- Capital Projects Fund ending fund balance decreased approximately \$1.9 million. This decrease was due to payments made on the County's E911 communication tower project.
- There were no significant changes in revenues, expenditures and fund balance of the Debt Service Fund.

### **BUDGETARY HIGHLIGHTS**

Over the course of the year, Tama County amended its budget two times. The first amendment was made in October 2020 and resulted in an increase in budgeted disbursements to Physical Health and Social Services and Administration for various expenditures primarily related to clean up and repairs from the Derecho storm. The second amendment was made in May 2021. This amendment was made to provide for additional disbursements in certain County departments.

The County's receipts were approximately \$3.2 million less than budgeted, a variance of 12.6%. This was primarily due to anticipated grant revenue not being received.

Total disbursements were approximately \$7.4 million less than the amended budget. This was primarily due to anticipated capital projects not being done by the County at year end.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

### **Capital Assets**

At June 30, 2021, Tama County had approximately \$88.6 million invested in a broad range of capital assets, including public safety equipment, buildings, roads and bridges. This is a net increase (including additions and deletions) of approximately \$10.8 million, or 13.9%, over last year.

Capital Assets of Governmental Activities at Year End (Expressed in thousands)		
	June 30,	
	2021	2020
Land	\$ 1,963	1,963
Construction in progress	11,451	1,229
Buildings and improvements	5,745	5,745
Machinery and equipment	11,777	11,180
Infrastructure	57,616	57,617
Totals	<u>\$ 88,552</u>	<u>77,734</u>

This year's major additions included (in thousands):

Capital assets contributed by the Iowa Department of Transportation	\$ 5,931
Bridge replacement project	1,773
E911 communication towers	1,978
Sheriff vehicles	139
Replacement of two motor graders and other Secondary Roads equipment	744
Total	<u>\$ 10,565</u>

The County had depreciation expense of \$2,549,815 in fiscal year 2021 and total accumulated depreciation of \$42,599,528 at June 30, 2021.

The County's fiscal year 2021 capital budget included funds primarily for the continued upgrading of secondary roads and bridges and the construction of new E911 communication towers. These projects were funded with resources on hand in the County's fund balances and the issuance of general obligation bonds. More detailed information about the County's capital assets is presented in Note 4 to the financial statements.

## Long-Term Debt

At June 30, 2021, the County had approximately \$9.2 million in general obligation bonds, compared to approximately \$9.8 million at June 30, 2020, as shown below:

Outstanding Debt of Governmental Activities at Year-End		
	June 30,	
	2021	2020
General obligation bonds	\$ 9,215,000	9,810,000
Total	\$ 9,215,000	9,810,000

Debt decreased due to the annual payments on the general obligation bonds.

The Constitution of the State of Iowa limits the amount of general obligation debt counties can issue to 5% of the assessed value of all taxable property within the County's corporate limits. Tama County's outstanding general obligation debt is significantly below its constitutional debt limit of approximately \$84.5 million. Additional information about the County's long-term debt is presented in Note 7 to the financial statements.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Tama County's elected and appointed officials and citizens considered many factors when setting the fiscal year 2022 budget, tax rates and the fees charged for various County activities. Levy rates decreased and property valuations showed a slight increase from fiscal year 2021 to fiscal year 2022. The proposed budget for fiscal year 2022 includes increases above the current budget in the revenue and expenditure categories primarily related to an increase in property valuations and intergovernmental revenues and increased cost of maintenance on roads and bridges throughout the County.

The County has entered into a contract for the construction of radio communication towers in the County. The total contract is for \$6,635,952 and as of June 30, 2021 costs of \$3,966,937 have been incurred. The construction should be completed in fiscal year 2022 and the remaining contract amount of \$2,669,015 will be paid.

The County continues to seek ways to contain costs by sharing programs and personnel with other counties and to increase revenues through user fees, grants and contracts rather than solely relying on tax income.

## CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of Tama County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County Auditor's Office, Tama County Administration Building, 104 West State Street, P.O. Box 61, Toledo, Iowa, 52342.

**Tama County**  
**Statement of Net Position**  
**June 30, 2021**

	<u>Governmental Activities</u>
<b>Assets</b>	
Cash, cash equivalents and pooled investments	\$ 15,395,990
Receivables:	
Property tax:	
Delinquent	31,909
Succeeding year	10,152,496
Succeeding year tax increment financing	497,369
Interest and penalty on property tax	118,981
Accounts	36,000
Due from other governments	789,767
Inventories	144,322
Prepaid expenses	23,847
Capital assets not being depreciated	13,413,525
Capital assets, net of accumulated depreciation	32,539,442
<b>Total assets</b>	<u>73,143,648</u>
<b>Deferred Outflows of Resources</b>	
Pension related deferred outflows	1,274,422
OPEB related deferred outflows	6,803
<b>Total deferred outflows of resources</b>	<u>1,281,225</u>
<b>Liabilities</b>	
Accounts payable	803,317
Accrued interest payable	23,607
Salaries and benefits payable	175,389
Due to other governments	74,872
Long-term liabilities:	
Portion due or payable within one year:	
General obligation bonds	645,000
Compensated absences	457,525
Portion due or payable after one year:	
General obligation bonds	8,570,000
Net pension liability	4,488,107
Total OPEB liability	90,565
<b>Total liabilities</b>	<u>15,328,382</u>
<b>Deferred Inflows of Resources</b>	
Unavailable property tax revenue	10,152,496
Unavailable tax increment financing revenue	497,369
Pension related deferred inflows	455,045
OPEB related deferred inflows	5,858
<b>Total deferred inflows of resources</b>	<u>11,110,768</u>

**Tama County**  
**Statement of Net Position**  
**June 30, 2021**

Exhibit A

	<u>Governmental Activities</u>
<b>Net Position</b>	
Net investment in capital assets	36,737,967
Restricted for:	
Supplemental levy purposes	3,220,293
Mental health purposes	159,798
Rural services purposes	1,197,289
Secondary roads purposes	3,041,521
Capital projects	2,828,127
Other purposes	2,413,733
Unrestricted	(1,613,005)
<b>Total net position</b>	<u><u>\$ 47,985,723</u></u>

**Tama County**  
**Statement of Activities**  
**Year Ended June 30, 2021**

		Program Revenues		
		Charges for	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest
	Expenses	Service		
<b>Functions/Programs:</b>				
Governmental activities:				
Public safety and legal services	\$ 3,716,218	443,574	33,634	-
Physical health and social services	1,841,517	454,868	266,089	-
Mental health	565,303	1,088	59,384	-
County environment and education	1,045,123	27,128	20,857	390,450
Roads and transportation	9,143,963	63,326	5,647,399	7,626,293
Governmental services to residents	619,926	397,583	48	-
Administration	2,291,896	52,309	328,487	-
Non-program	38,632	6,907	-	-
Interest on long-term debt	311,176	-	-	-
Total	\$ 19,573,754	1,446,783	6,355,898	8,016,743

**General Revenues:**

Property and other county tax levied for:

General purposes

Debt service

Tax increment financing

Interest and penalty on property tax

State tax credits and replacements

Local option sales tax

Unrestricted investment earnings

Miscellaneous

Total general revenues

Change in net position

Net position beginning of year

Net position end of year



<hr/> Net (Expense) Revenue and Changes in Net Position <hr/>	
	(3,239,010)
	(1,120,560)
	(504,831)
	(606,688)
	4,193,055
	(222,295)
	(1,911,100)
	(31,725)
	(311,176)
	<hr/> (3,754,330) <hr/>
	8,986,372
	454,892
	389,295
	85,611
	650,013
	736,537
	60,936
	<hr/> 464,425 <hr/>
	<hr/> 11,828,081 <hr/>
	8,073,751
	<hr/> 39,911,972 <hr/>
\$	<hr/> <hr/> 47,985,723 <hr/> <hr/>

**Tama County  
Balance Sheet  
Governmental Funds  
June 30, 2021**

		Special Revenue	
	General	Mental Health	Rural Services
<b>Assets</b>			
Cash, cash equivalents and pooled investments	\$ 5,580,668	154,900	1,195,733
Receivables:			
Property tax:			
Delinquent	18,724	1,415	2,805
Succeeding year	6,878,696	356,294	2,418,388
Succeeding year tax increment financing	-	-	-
Interest and penalty on property tax	118,981	-	-
Accounts	32,427	-	-
Due from other governments	134,260	-	55,422
Inventories	-	-	-
Prepaid expenses	23,847	-	-
<b>Total assets</b>	<b>\$ 12,787,603</b>	<b>512,609</b>	<b>3,672,348</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>			
Liabilities:			
Accounts payable	\$ 139,881	148	460
Salaries and benefits payable	111,127	711	5,473
Due to other governments	44,114	30	4,194
<b>Total liabilities</b>	<b>295,122</b>	<b>889</b>	<b>10,127</b>
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	6,878,696	356,294	2,418,388
Succeeding year tax increment financing	-	-	-
Other	137,672	1,414	2,805
<b>Total deferred inflows of resources</b>	<b>7,016,368</b>	<b>357,708</b>	<b>2,421,193</b>

## Exhibit C

Secondary Roads	Capital Projects	Debt Service	Nonmajor	Total
3,154,216	2,828,127	55,659	227,448	13,196,751
-	-	1,319	7,646	31,909
-	-	499,118	-	10,152,496
-	-	-	497,369	497,369
-	-	-	-	118,981
3,573	-	-	-	36,000
599,860	-	-	225	789,767
144,322	-	-	-	144,322
-	-	-	-	23,847
3,901,971	2,828,127	556,096	732,688	24,991,442

353,375	-	-	-	493,864
58,078	-	-	-	175,389
26,534	-	-	-	74,872
437,987	-	-	-	744,125

-	-	499,118	-	10,152,496
-	-	-	497,369	497,369
-	-	1,318	7,646	150,855
-	-	500,436	505,015	10,800,720

Tama County  
Balance Sheet (Continued)  
Governmental Funds  
June 30, 2021

		Special Revenue	
	General	Mental Health	Rural Services
Fund balances:			
Nonspendable:			
Inventories	-	-	-
Prepaid expenses	23,847	-	-
Restricted for:			
Supplemental levy purposes	3,220,293	-	-
Mental health purposes	-	154,012	-
Rural services purposes	-	-	1,241,028
Secondary road purposes	-	-	-
Conservation land acquisition	288,628	-	-
Debt service	-	-	-
Capital projects	-	-	-
Other purposes	-	-	-
Assigned for:			
Other purposes	350,855	-	-
Unassigned	1,592,490	-	-
Total fund balances	5,476,113	154,012	1,241,028
<b>Total liabilities, deferred inflows of resources</b>			
<b>and fund balances</b>	<b>\$ 12,787,603</b>	<b>512,609</b>	<b>3,672,348</b>

Exhibit C

Secondary Roads	Capital Projects	Debt Service	Nonmajor	Total
144,322	-	-	-	144,322
-	-	-	-	23,847
-	-	-	-	3,220,293
-	-	-	-	154,012
-	-	-	-	1,241,028
3,319,662	-	-	-	3,319,662
-	-	-	-	288,628
-	-	55,660	-	55,660
-	2,828,127	-	-	2,828,127
-	-	-	227,673	227,673
-	-	-	-	350,855
-	-	-	-	1,592,490
3,463,984	2,828,127	55,660	227,673	13,446,597
3,901,971	2,828,127	556,096	732,688	24,991,442

**Tama County**  
**Reconciliation of the Balance Sheet -**  
**Governmental Funds to the Statement of Net Position**  
**June 30, 2021**

Exhibit D

**Total governmental fund balances (page 18)** **\$ 13,446,597**

***Amounts reported for governmental activities in the Statement of Net Position are different because:***

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds. The cost of capital assets is \$88,552,495 and the accumulated depreciation is \$42,599,528. 45,952,967

Other long-term assets are not available to pay current year expenditures and, therefore, are recognized as deferred inflows of resources in the governmental funds. 150,855

The Internal Service Fund is used by management to charge the costs of the partial self funding of the County's health insurance benefit plan to individual funds. The assets and liabilities of the Internal Service Fund are included with governmental activities in the Statement of Net Position. 1,889,786

Pension and OPEB related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:

Deferred outflows of resources	\$ 1,281,225	
Deferred inflows of resources	<u>(460,903)</u>	820,322

Long-term liabilities, including bonds payable, compensated absences payable, total OPEB liability, net pension liability and accrued interest payable, are not due and payable in the current year and, therefore, are not reported in the governmental funds. (14,274,804)

**Net position of governmental activities (page 12)** **\$ 47,985,723**

Tama County  
Statement of Revenues, Expenditures and  
Changes in Fund Balances  
Governmental Funds  
Year Ended June 30, 2021

		Special Revenue	
	General	Mental Health	Rural Services
Revenues:			
Property and other county tax	\$ 6,420,400	485,316	2,193,283
Tax increment financing	-	-	-
Local option sales tax	-	-	736,537
Interest and penalty on property tax	96,377	-	-
Intergovernmental	2,124,090	91,719	100,470
Licenses and permits	14,453	-	-
Charges for service	636,941	1,088	-
Use of money and property	98,488	-	-
Miscellaneous	452,727	-	4,570
Total revenues	9,843,476	578,123	3,034,860
Expenditures:			
Operating:			
Public safety and legal services	3,610,673	-	154,289
Physical health and social services	1,865,364	-	-
Mental health	-	563,094	-
County environment and education	796,245	-	210,442
Roads and transportation	-	-	423,230
Governmental services to residents	716,700	-	2,584
Administration	2,192,709	-	-
Non-program	1,154	-	-
Debt service	-	-	-
Capital projects	569,011	-	65,115
Total expenditures	9,751,856	563,094	855,660
Excess (deficiency) of revenues over (under) expenditures	91,620	15,029	2,179,200
Other financing sources (uses):			
Sale of capital assets	40,273	-	-
Transfers in	-	-	-
Transfers out	(262,554)	-	(2,356,656)
Total other financing sources (uses)	(222,281)	-	(2,356,656)
Change in fund balances	(130,661)	15,029	(177,456)
Fund balances beginning of year	5,606,774	138,983	1,418,484
Fund balances end of year	\$ 5,476,113	154,012	1,241,028

See notes to financial statements.

Secondary Roads	Capital Projects	Debt Service	Nonmajor	Total
-	-	462,585	-	9,561,584
-	-	-	466,036	466,036
-	-	-	-	736,537
-	-	-	-	96,377
7,341,949	-	31,419	13,153	9,702,800
12,020	-	-	-	26,473
-	-	-	3,863	641,892
-	-	-	259	98,747
51,306	-	-	-	508,603
7,405,275	-	494,004	483,311	21,839,049
-	-	-	210	3,765,172
-	-	-	-	1,865,364
-	-	-	-	563,094
-	-	-	-	1,006,687
7,106,476	-	-	-	7,529,706
-	-	-	4,963	724,247
-	-	-	-	2,192,709
-	-	-	-	1,154
-	-	908,161	-	908,161
1,795,745	2,003,032	-	-	4,432,903
8,902,221	2,003,032	908,161	5,173	22,989,197
(1,496,946)	(2,003,032)	(414,157)	478,138	(1,150,148)
-	-	-	-	40,273
2,539,210	80,000	459,600	-	3,078,810
-	-	-	(459,600)	(3,078,810)
2,539,210	80,000	459,600	(459,600)	40,273
1,042,264	(1,923,032)	45,443	18,538	(1,109,875)
2,421,720	4,751,159	10,217	209,135	14,556,472
3,463,984	2,828,127	55,660	227,673	13,446,597



**Tama County**  
**Reconciliation of the Statement of Revenues, Expenditures and**  
**Changes in Fund Balances - Governmental Funds**  
**to the Statement of Activities**  
**Year Ended June 30, 2021**

Exhibit F

**Change in fund balances - Total governmental funds (page 21)** **\$ (1,109,875)**

***Amounts reported for governmental activities in the Statement of Activities are different because:***

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. Capital outlay expenditures and contributed capital assets exceeded depreciation expense in the current year, as follows:

Expenditures for capital assets	\$ 5,341,423	
Capital assets contributed by the Iowa Department of Transportation	5,931,743	
Depreciation expense	<u>(2,549,815)</u>	8,723,351

Because some revenues will not be collected for several months after the County's year end, they are not considered available revenues and are recognized as deferred inflows of resources in the governmental funds, as follows:

Property tax	(149,807)
--------------	-----------

Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Current year repayments exceeded issuances, as follows:

Issued	-	
Repaid	<u>595,000</u>	595,000

The current year County IPERS contributions are reported as expenditures in the governmental funds, but are reported as deferred outflows of resources in the Statement of Net Position.

616,567

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds, as follows:

Compensated absences	21,580	
Pension expense	(759,745)	
OPEB expense	(3,748)	
Interest on long-term debt	<u>1,985</u>	(739,928)

The Internal Service Fund is used by management to charge the costs of the partial self-funding of the County's health insurance benefit plan to individual funds. The change in net position of the Internal Service Fund is reported with governmental activities.

138,443

**Change in net position of governmental activities (page 14)**

**\$ 8,073,751**

**Tama County**  
**Statement of Net Position**  
**Proprietary Fund**  
**June 30, 2021**

Exhibit G

	<u>Internal Service- Employee Group Health</u>
<b>Assets</b>	
Cash and cash equivalents	\$ 2,199,239
<b>Liabilities</b>	
Accounts payable	<u>309,453</u>
<b>Net Position</b>	
Restricted for employee health	<u><u>\$ 1,889,786</u></u>

Tama County  
Statement of Revenues, Expenses  
and Changes in Fund Net Position  
Proprietary Fund  
Year Ended June 30, 2021

Exhibit H

		<u>Internal Service- Employee Group Health</u>
Operating revenues:		
Reimbursements from operating funds		\$ 2,235,530
Reimbursements from employees and others		107,091
Insurance reimbursements		<u>16,192</u>
Total operating revenues		2,358,813
Operating expenses:		
Medical claims	\$ 2,136,967	
Insurance premiums	46,605	
Administrative fees	<u>43,707</u>	<u>2,227,279</u>
Operating income		131,534
Non-operating revenues:		
Interest income		<u>6,909</u>
Net income		138,443
Net position beginning of year		<u>1,751,343</u>
Net position end of year		<u><u>\$ 1,889,786</u></u>

Tama County  
Statement of Cash Flows  
Proprietary Fund  
Year Ended June 30, 2021

Exhibit I

Internal  
Service-  
Employee  
Group Health

Cash flows from operating activities:

Cash received from operating fund reimbursements	\$ 2,235,530
Cash received from employees and others	107,091
Cash received from insurance reimbursements	16,192
Cash paid to suppliers for services	<u>(2,218,860)</u>
Net cash provided by operating activities	139,953

Cash flows from investing activities:

Interest on investments	<u>6,909</u>
-------------------------	--------------

Net increase in cash and cash equivalents	146,862
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Cash and cash equivalents beginning of year	<u>2,052,377</u>
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Cash and cash equivalents end of year	<u><u>\$ 2,199,239</u></u>
---------------------------------------	----------------------------

**Reconciliation of operating income to net cash  
provided by operating activities:**

Operating income	\$ 131,534
Adjustments to reconcile operating income to net cash provided by operating activities:	
Decrease in accounts receivable	877
Increase in accounts payable	<u>7,542</u>
Net cash provided by operating activities	<u><u>\$ 139,953</u></u>

**Tama County**  
**Statement of Fiduciary Net Position**  
**Custodial Funds**  
**June 30, 2021**

Exhibit J

**Assets**

Cash, cash equivalents and pooled investments:

County Treasurer	\$ 2,466,893
Other County officials	104,977

Receivables:

Property tax:

Delinquent	78,497
Succeeding year	21,745,800

Accounts	119,267
----------	---------

Assessments	79,161
-------------	--------

Due from other governments	79,467
----------------------------	--------

<b>Total assets</b>	<u>24,674,062</u>
---------------------	-------------------

**Liabilities**

Accounts payable	24,255
------------------	--------

Salaries and benefits payable	26,783
-------------------------------	--------

Due to other governments	1,116,774
--------------------------	-----------

Trusts payable	90,175
----------------	--------

Compensated absences	78,014
----------------------	--------

<b>Total liabilities</b>	<u>1,336,001</u>
--------------------------	------------------

**Deferred Inflows of Revenues**

Unavailable property tax revenue	<u>21,745,800</u>
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**Net Position**

Restricted for individuals, organizations and other governments	<u><u>\$ 1,592,261</u></u>
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Tama County  
Statement of Changes in Fiduciary Net Position  
Custodial Funds  
June 30, 2021

Exhibit K

Additions:

Property and other county tax	\$ 20,659,616
E911 Surcharge	244,646
State tax credits	1,644,167
Interest	2,015
Office fees and collections	908,662
Auto license, drivers license, use tax and postage	7,669,847
Assessments	19,191
Trusts	516,469
Reimbursements from other governments	1,003,478
Miscellaneous	1,153,817
Total additions	<u>33,821,908</u>

Deductions:

Agency remittances:	
To other funds	855,051
To other governments	32,389,306
Trusts paid out	584,340
Total deductions	<u>33,828,697</u>

Changes in net position	(6,789)
Net position beginning of year	1,599,050
Net position end of year	<u><u>\$ 1,592,261</u></u>

**Tama County**  
**Notes to Financial Statements**  
**June 30, 2021**

**(1) Summary of Significant Accounting Policies**

Tama County is a political subdivision of the State of Iowa and operates under the Home Rule provisions of the Constitution of Iowa. The County operates under the Board of Supervisors form of government. Elections are on a partisan basis. Other elected officials operate independently with the Board of Supervisors. These officials are the Auditor, Treasurer, Recorder, Sheriff and Attorney. The County provides numerous services to citizens, including law enforcement, health and social services, parks and cultural activities, planning and zoning, roadway construction and maintenance and general administrative services.

The County's financial statements are prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

**A. Reporting Entity**

For financial reporting purposes, Tama County has included all funds, organizations, agencies, boards, commissions and authorities. The County has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the County to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the County.

These financial statements present Tama County (the primary government) and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationships with the County.

Blended Component Units – The following component unit is an entity which is legally separate from the County, but is so intertwined with the County that it is, in substance, the same as the County. It is reported as part of the County and blended into the appropriate funds.

Drainage District #3 has been established pursuant to Chapter 468 of the Code of Iowa for the drainage of surface waters from agricultural and other lands or the protection of such lands from overflow. Although this district is legally separate from the County, it is controlled, managed and supervised by the Tama County Board of Supervisors. This drainage district is reported as a Special Revenue Fund. The County has other drainage districts that are managed and supervised by elected trustees. The financial transactions of these districts are reported in a custodial fund. Financial information of the individual drainage districts can be obtained from the Tama County Auditor's office.

**Tama County**  
**Notes to Financial Statements (Continued)**  
**June 30, 2021**

**(1) Summary of Significant Accounting Policies (continued)**

**A. Reporting Entity (continued)**

Jointly Governed Organizations – The County participates in several jointly governed organizations that provide goods or services to the citizenry of the County but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The County Board of Supervisors are members of or appoint representatives to the following boards and commissions: Tama County Assessor's Conference Board, Tama County Joint E911 Service Board, Tama County Economic Development Commission, Tama County Solid Waste Disposal Commission and Tama County Emergency Management Commission. Financial transactions of these organizations are included in the County's financial statements only to the extent of the County's fiduciary relationship with the organization and, as such, are reported in the Custodial Funds of the County.

The County also participates in the following additional jointly governed organizations established pursuant to Chapter 28E of the Code of Iowa: County Social Services Mental Health Region, Heartland Risk Pool Insurance, County Case Management Services, Mid-Iowa Drug Task Force, Northeast Iowa Response Group, Central Iowa Juvenile Detention Center and Region VI Planning Commission.

**B. Basis of Presentation**

Government-wide Financial Statements – The Statement of Net Position and the Statement of Activities report information on all of the nonfiduciary activities of the County and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are supported by property tax, intergovernmental revenues and other nonexchange transactions.

The Statement of Net Position presents the County's nonfiduciary assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Net position is reported in the following categories.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes and other debt attributable to the acquisition, construction or improvement of those assets.

Restricted net position results when constraints placed on net position use are either externally imposed or are imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position consists of net position not meeting the definition of the preceding categories. Unrestricted net position is often subject to constraints imposed by management which can be removed or modified.



**Tama County**  
**Notes to Financial Statements (Continued)**  
**June 30, 2021**

**(1) Summary of Significant Accounting Policies (continued)**

**B. Basis of Presentation (continued)**

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants, contributions and interest restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements – Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor governmental funds.

The County reports the following major governmental funds:

The General Fund is the general operating fund of the County. All general tax revenues and other revenues not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating expenditures, the fixed charges and the capital improvement costs not paid from other funds.

**Special Revenue:**

The Mental Health Fund is used to account for property tax and other revenues to be used to fund mental health, intellectual disabilities and developmental disabilities services.

The Rural Services Fund is used to account for property tax and other revenues to provide services which are primarily intended to benefit those persons residing in the county outside of incorporated city areas.

The Secondary Roads Fund is used to account for the road use tax allocation from the State of Iowa, transfers from the General Fund and the Special Revenue, Rural Services Fund and other revenues to be used for secondary road construction and maintenance.

The Debt Service Fund is utilized to account for property tax and other revenues to be used for the payment of interest and principal on the County's general long-term debt.

The Capital Projects Fund is used to account for all resources used in the acquisition and construction of capital facilities and other capital assets.

**Tama County**  
**Notes to Financial Statements (Continued)**  
**June 30, 2021**

**(1) Summary of Significant Accounting Policies (continued)**

**B. Basis of Presentation (continued)**

Additionally, the County reports the following funds:

Proprietary Fund – An Internal Service Fund is utilized to account for the financing of goods or services purchased by one department of the County and provided to other departments or agencies on a cost-reimbursement basis.

Fiduciary Funds – Custodial Funds are used to account for assets held by the County as an agent for individuals, private organizations, certain jointly governed organizations, other governmental units and/or other funds.

**C. Measurement Focus and Basis of Accounting**

The government-wide, proprietary fund and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the County considers revenues to be available if they are collected within 60 days after year end.

Property tax, intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest are considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the County.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments and compensated absences are recorded as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under lease agreements are reported as other financing sources.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants and then by general revenues.

Tama County  
Notes to Financial Statements (Continued)  
June 30, 2021

(1) **Summary of Significant Accounting Policies (continued)**

C. Measurement Focus and Basis of Accounting (continued)

When an expenditure is incurred in governmental funds which can be paid using either restricted or unrestricted resources, the County's policy is to pay the expenditure from restricted fund balance and then from less-restrictive classifications – committed, assigned and then unassigned fund balances.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's Internal Service Fund is charges to customers for sales and services. Operating expenses for Internal Service Funds include the cost of services and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The County maintains its financial records on the cash basis. The financial statements of the County are prepared by making memorandum adjusting entries to the cash basis financial records.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position

The following accounting policies are followed in preparing the financial statements:

Cash, Cash Equivalents and Pooled Investments – The cash balances of most County funds are pooled and invested. Interest earned on investments is recorded in the General Fund unless otherwise provided by law. Investments are stated at fair value except for the investment in the Iowa Public Agency Investment Trust which is stated at amortized cost.

For purposes of the Statement of Cash Flows, all short-term cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash and, at the day of purchase, have a maturity date no longer than three months.

Property Tax Receivable – Property tax in governmental funds is accounted for using the modified accrual basis of accounting.

Property tax receivable is recognized in these funds on the levy or lien date, which is the date the tax asking is certified by the County Board of Supervisors. Delinquent property tax receivable represents unpaid taxes for the current and prior years. The succeeding year property tax and tax increment financing receivables represent taxes certified by the Board of Supervisors to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year.

Tama County  
Notes to Financial Statements (Continued)  
June 30, 2021

(1) **Summary of Significant Accounting Policies (continued)**

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position (continued)

By statute, the Board of Supervisors is required to certify its budget in March of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax and tax increment financing receivables have been recorded, the related revenue is reported as a deferred inflow of resources in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which they are levied.

Property tax revenue recognized in these funds becomes due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2019 assessed property valuations; is for the tax accrual period July 1, 2020 through June 30, 2021 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March 2020.

Interest and Penalty on Property Tax Receivable – Interest and penalty on property tax receivable represents the amount of interest and penalty that was due and payable but has not been collected.

Due from Other Governments – Due from other governments represents amounts due from the State of Iowa, various shared revenues, grants and reimbursements from other governments.

Inventories – Inventories are valued at cost using the first-in, first-out method. Inventories consist of expendable supplies held for consumption. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Capital Assets – Capital assets, which include property, equipment and vehicles acquired after July 1, 1980 are reported in the governmental activities column in the government-wide Statement of Net Position. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value. Acquisition value is the price that would have been paid to acquire a capital asset with equivalent service potential. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Reportable capital assets are defined by the County as assets with an initial, individual cost in excess of the following thresholds and estimated useful lives in excess of two years.

Asset Class	Amount
Infrastructure	\$ 50,000
Land, buildings and improvements	25,000
Equipment and vehicles	5,000

Tama County  
Notes to Financial Statements (Continued)  
June 30, 2021

(1) Summary of Significant Accounting Policies (continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position (continued)

Land and construction in progress are not depreciated. The other property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives (In Years)
Buildings	20 – 50
Building improvements	20 – 50
Infrastructure	30 – 50
Equipment	5 – 20
Vehicles	7 – 10

Deferred Outflows of Resources – Deferred outflows of resources represent a consumption of net position applicable to a future year(s) which will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension and OPEB expense and contributions from the County after the measurement date but before the end of the County's reporting period.

Due to Other Governments – Due to other governments represents taxes and other revenues collected by the County and payments for services which will be remitted to other governments.

Trusts Payable – Trusts payable represents amounts due to others which are held by various County officials in fiduciary capacities until the underlying legal matters are resolved.

Compensated Absences – County employees accumulate a limited amount of earned but unused vacation hours for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide, proprietary fund and fiduciary fund financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees who have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2021. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund and the Special Revenue, Mental Health, Rural Services and Secondary Roads Funds.

Long-Term Liabilities – In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund Statement of Net Position.

In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Tama County  
Notes to Financial Statements (Continued)  
June 30, 2021

**(1) Summary of Significant Accounting Policies (continued)**

**D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position (continued)**

Pensions – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Iowa Public Employees' Retirement System (IPERS) and additions to/deductions from IPERS' fiduciary net position have been determined on the same basis as they are reported by IPERS. For this purpose, benefit payments, including refunds of employee contributions, are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The net pension liability attributable to the governmental activities will be paid primarily by the General Fund and the Special Revenue, Mental Health, Rural Services and Secondary Road Funds.

Total OPEB Liability – For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information has been determined based on Tama County's actuary report. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. The total OPEB liability attributable to the governmental activities will be paid primarily by the General Fund and the Special Revenue, Mental Health, Rural Services and Secondary Road Funds.

Deferred Inflows of Resources – Deferred inflows of resources represents an acquisition of net position applicable to a future year(s) which will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the fund financial statements consist of property tax receivable and other receivables not collected within sixty days after year end and succeeding year property tax and tax increment financing receivables that will not be recognized until the year for which they are levied.

Deferred inflows of resources in the Statement of Net Position consist of succeeding year property tax and tax increment financing receivables that will not be recognized until the year for which they are levied, unrecognized items not yet charged to pension and OPEB expense and the unamortized portion of the net difference between projected and actual earnings on pension and OPEB plan assets.

Fund Balance – In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable – Amounts which cannot be spent because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Tama County  
Notes to Financial Statements (Continued)  
June 30, 2021

**(1) Summary of Significant Accounting Policies (continued)**

**D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position (continued)**

Restricted – Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors or state or federal laws or are imposed by law through constitutional provisions or enabling legislation.

Committed – Amounts which can be used only for specific purposes pursuant to constraints formally imposed by the Board of Supervisors through ordinance or resolution approved prior to year-end. Committed amounts cannot be used for any other purpose unless the Board of Supervisors removes or changes the specified use by taking the same action it employed to commit those amounts.

Assigned – Amounts the Board of Supervisors intend to use for specific purposes.

Unassigned – All amounts not included in the preceding classifications.

Net Position – The net position of the Internal Service, Employee Group Health Fund is designated for anticipated future catastrophic losses of the County.

**E. Budgets and Budgetary Accounting**

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2021, disbursements did not exceed the amounts budgeted however, disbursements in certain departments exceeded the amounts appropriated.

**(2) Cash, Cash Equivalents and Pooled Investments**

The County's deposits in banks at June 30, 2021 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds.

The County is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Supervisors; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

The County had investments in the Iowa Public Agency Investment Trust (IPAIT) which are valued at an amortized cost of \$139,147. There were no limitations or restrictions on withdrawals for the IPAIT investments. The County's investment in IPAIT is unrated.

Tama County  
Notes to Financial Statements (Continued)  
June 30, 2021

**(2) Cash, Cash Equivalents and Pooled Investments (continued)**

Interest rate risk – The County’s investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) to instruments that mature within 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days, but the maturities shall be consistent with the needs and use of the County.

Credit risk – The investment in the Iowa Public Agency Investment Trust is unrated.

**(3) Interfund Transfers**

The detail of interfund transfers for the year ended June 30, 2021 is as follows:

Transfer to	Transfer from	Amount
Debt Service	Special Revenue: Tax Increment Financing	\$ 459,600
Capital Projects	General	80,000
Special Revenue: Secondary Roads	General	182,554
	Special Revenue: Rural Services	2,356,656
		<u>2,539,210</u>
		<u>\$ 3,078,810</u>

Transfers generally move resources from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources.



**Tama County**  
**Notes to Financial Statements (Continued)**  
**June 30, 2021**

**(4) Capital Assets**

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 1,962,745	-	-	1,962,745
Construction in progress	1,229,375	10,221,405	-	11,450,780
Total capital assets not being depreciated	3,192,120	10,221,405	-	13,413,525
Capital assets being depreciated:				
Buildings	5,745,052	-	-	5,745,052
Equipment and vehicles	11,180,214	1,072,421	475,150	11,777,485
Infrastructure, road network	57,616,433	-	-	57,616,433
Total capital assets being depreciated	74,541,699	1,072,421	475,150	75,138,970
Less accumulated depreciation for:				
Buildings	2,834,644	118,872	-	2,953,516
Equipment and vehicles	7,636,489	556,603	454,490	7,738,602
Infrastructure, road network	30,033,070	1,874,340	-	31,907,410
Total accumulated depreciation	40,504,203	2,549,815	454,490	42,599,528
Total capital assets being depreciated, net	34,037,496	(1,477,394)	20,660	32,539,442
Governmental activities capital assets, net	\$ 37,229,616	8,744,011	20,660	45,952,967

Depreciation expense was charged to the following functions:

Governmental activities:	
Public safety and legal services	\$ 109,002
Physical health and social services	4,047
Mental health	7,168
County environment and education	53,568
Roads and transportation	2,293,503
Governmental services to residents	18,792
Administration	63,735
Total depreciation expense - governmental activities	<u>\$ 2,549,815</u>

**Tama County**  
**Notes to Financial Statements (Continued)**  
**June 30, 2021**

**(5) Operating Leases**

The County has entered into various operating leases for office copy machines and postage meters. These leases expire at various times through February 2026. The following is a schedule by year of the total annual lease costs required under the operating leases.

Year Ending June 30,	Rent Due
2022	\$ 29,675
2023	23,449
2024	5,789
2025	3,335
2026	1,667
Total	<u>\$ 63,915</u>

The total annual lease costs for the year ended June 30, 2021 were \$29,673.

**(6) Due to Other Governments**

The County purchases services from other governmental units and also acts as a fee and tax collection agent for various governmental units. Tax collections are remitted to those governments in the month following collection. A summary of amounts due to other governments at June 30, 2021 is as follows:

Fund	Description	Amount
General	Services	\$ 44,114
Special Revenue:		
Mental Health	Services	30
Rural Services		4,194
Secondary Roads		26,534
Total for governmental funds		<u>\$ 74,872</u>
Agency:		
Schools	Collections	\$ 212,247
Community Colleges		19,560
Corporations		109,415
Special Assessments		80,928
Auto License and Use Tax		588,943
All other		105,681
Total for custodial funds		<u>\$ 1,116,774</u>

**Tama County**  
**Notes to Financial Statements (Continued)**  
**June 30, 2021**

**(7) Long-Term Liabilities**

A summary of changes in long-term liabilities for the year ended June 30, 2021 is as follows:

	General Obligation Bonds	Compensated Absences	Net Pension Liability	Total OPEB Liability	Total
Balance beginning of year	\$ 9,810,000	479,105	3,846,120	86,886	14,222,111
Increases	-	14,249	641,987	3,679	659,915
Decreases	595,000	35,829	-	-	630,829
Balance end of year	\$ 9,215,000	457,525	4,488,107	90,565	14,251,197
Due within one year	\$ 645,000	457,525	-	-	1,102,525

**Bonds Payable**

On May 4, 2020, the County issued \$5,530,000 of general obligation refunding bonds, Series 2020B, with interest rates ranging from 2.00%-4.00% per annum. The bonds were issued to refinance Urban Renewal Bonds issued on February 20, 2013 at a lower interest rate. During the year ended June 30, 2021, the County retired \$370,000 in principal and \$179,200 of interest on the bonds.

On May 5, 2020, the County issued \$4,655,000 of general obligation bonds, Series 2020A, with interest rates ranging from 2.00%-4.00% per annum. The bonds were issued to provide funds to construct new E911 communication towers. During the year ended June 30, 2021, the County retired \$225,000 in principal and \$127,885 of interest on the bonds. A summary of the County's June 30, 2021 general obligation bonded indebtedness is as follows:

Year Ending June 30,	Interest Rates	GO Refunding Issued May 4, 2020		E911 Communication Issued May 5, 2020		Total		
		Principal	Interest	Principal	Interest	Principal	Interest	Total
2022	4.00 %	\$ 390,000	164,400	255,000	116,885	645,000	281,285	926,285
2023	4.00	405,000	148,800	265,000	106,685	670,000	255,485	925,485
2024	4.00	415,000	132,600	275,000	96,085	690,000	228,685	918,685
2025	4.00	435,000	116,000	285,000	85,085	720,000	201,085	921,085
2026	4.00	450,000	98,600	295,000	74,685	745,000	173,285	918,285
2027-2031	2.00-4.00	2,525,000	237,600	1,620,000	231,330	4,145,000	468,930	4,613,930
2032-2034	2.00-2.30	540,000	10,800	1,060,000	49,105	1,600,000	59,905	1,659,905
		<u>\$ 5,160,000</u>	<u>908,800</u>	<u>4,055,000</u>	<u>759,860</u>	<u>9,215,000</u>	<u>1,668,660</u>	<u>10,883,660</u>

**Tama County**  
**Notes to Financial Statements (Continued)**  
**June 30, 2021**

**(8) Pension Plan**

Plan Description – IPERS membership is mandatory for employees of the County, except for those covered by another retirement system. Employees of the County are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at P.O. Box 9117, Des Moines, Iowa 50306-9117 or at [www.ipers.org](http://www.ipers.org).

IPERS benefits are established under Iowa Code Chapter 97B and the administrative rules thereunder. Chapter 97B and the administrative rules are the official plan documents. The following brief description is provided for general informational purposes only. Refer to the plan documents for more information.

Pension Benefits – A Regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 65, anytime after reaching age 62 with 20 or more years of covered employment or when the member's years of service plus the member's age at the last birthday equals or exceeds 88, whichever comes first. These qualifications must be met on the member's first month of entitlement to benefits. Members cannot begin receiving retirement benefits before age 55. The formula used to calculate a Regular member's monthly IPERS benefit includes:

- A multiplier based on years of service.
- The member's highest five-year average salary, except members with service before June 30, 2012 will use the highest three-year average salary as of that date if it is greater than the highest five-year average salary.

Sheriffs, deputies and protection occupation members may retire at normal retirement age, which is generally age 55. Sheriffs, deputies and protection occupation members may retire anytime after reaching age 50 with 22 or more years of covered employment.

The formula used to calculate a sheriff's, deputy's or protection occupation member's monthly IPERS benefit includes:

- 60% of average salary after completion of 22 years of service, plus an additional 1.5% of average salary for more than 22 years of service but not more than 30 years of service.
- The member's highest three-year average salary.

If a member retires before a normal retirement age, the member's monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early-retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, the reduction is 0.25% for each month that the member receives benefits before the member's earliest normal retirement age. For service earned on or after July 1, 2012, the reduction is 0.50% for each month that the member receives benefits before age 65.

Tama County  
Notes to Financial Statements (Continued)  
June 30, 2021

**(8) Pension Plan (continued)**

Generally, once a member selects a benefit option, a monthly benefit is calculated and remains the same for the rest of the member's lifetime. However, to combat the effects of inflation, retirees who began receiving benefits prior to July 1990 receive a guaranteed dividend with their regular November benefit payments.

Disability and Death Benefits – A vested member who is awarded federal Social Security disability or Railroad Retirement disability benefits is eligible to claim IPERS benefits regardless of age. Disability benefits are not reduced for early retirement. If a member dies before retirement, the member's beneficiary will receive a lifetime annuity or a lump-sum payment equal to the present actuarial value of the member's accrued benefit or calculated with a set formula, whichever is greater. When a member dies after retirement, death benefits depend on the benefit option the member selected at retirement.

Contributions – Contribution rates are established by IPERS following the annual actuarial valuation, which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization Method. State statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires the actuarial contribution rate be determined using the "entry age normal" actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30-year amortization period. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payroll based on the Actuarial Amortization Method adopted by the Investment Board.

In fiscal year 2021, pursuant to the required rate, Regular members contributed 6.29% of covered payroll and the County contributed 9.44% of covered payroll, for a total rate of 15.73%. The Sheriff, deputies and the County each contributed 9.26% of covered payroll, for a total rate of 18.52%. Protection occupation members contributed 6.41% of covered payroll and the County contributed 9.61% of covered payroll, for a total rate of 16.02%.

The County's contributions to IPERS for the year ended June 30, 2021 totaled \$616,567.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2021, the County reported a liability of \$4,488,107 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2020, the County's proportion was .0638900%, which was a decrease of .002529% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the County recognized pension expense of \$759,745. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**Tama County**  
**Notes to Financial Statements (Continued)**  
**June 30, 2021**

**(8) Pension Plan (continued)**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 14,332	115,410
Changes of assumptions	279,738	77,579
Net difference between projected and actual earnings on IPERS' investments	329,767	-
Changes in proportion and differences between County contributions and the County's proportionate share of contributions	34,018	262,056
County contributions subsequent to the measurement date	616,567	-
Total	<u>\$ 1,274,422</u>	<u>455,045</u>

\$616,567 reported as deferred outflows of resources related to pensions resulting from the County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2022	\$ 5,637
2023	36,326
2024	54,358
2025	135,499
2026	(29,010)
Total	<u>\$ 202,810</u>

There were no non-employer contributing entities to IPERS.

**Tama County**  
**Notes to Financial Statements (Continued)**  
**June 30, 2021**

**(8) Pension Plan (continued)**

Actuarial Assumptions – The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

Rate of inflation (effective June 30, 2017)	2.60% per annum.
Rates of salary increase (effective June 30, 2017)	3.25 to 16.25% average, including inflation. Rates vary by membership group.
Long-term investment rate of return (effective June 30, 2017)	7.00% compounded annually, net of investment expense, including inflation.
Wage growth (effective June 30, 2017)	3.25% per annum, based on 2.60% inflation and 0.65% real wage inflation.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an economic assumption study dated March 24, 2017 and a demographic assumption study dated June 28, 2018.

Mortality rates used in the 2020 valuation were based on the RP-2014 Employee and Healthy Annuitant Tables with MP-2017 generational adjustments.

The long-term expected rate of return on IPERS' investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity	22.0 %	4.43 %
International equity	17.5	5.15
Global smart beta equity	6.0	4.87
Core plus fixed income	28.0	(0.29)
Public credit	4.0	2.29
Cash	1.0	(0.78)
Private equity	11.0	6.54
Private real assets	7.5	4.48
Private credit	3.0	3.11
Total	<u>100.0 %</u>	

Tama County  
Notes to Financial Statements (Continued)  
June 30, 2021

**(8) Pension Plan (continued)**

Discount Rate – The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed employee contributions will be made at the contractually required rate and contributions from the County will be made at contractually required rates, actuarially determined. Based on those assumptions, IPERS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on IPERS' investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate 1% lower (6.00%) or 1% higher (8.00%) than the current rate.

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability	\$ 8,228,923	4,488,107	1,351,987

IPERS' Fiduciary Net Position – Detailed information about IPERS' fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS' website at [www.ipers.org](http://www.ipers.org).

Payables to IPERS – All legally required County contributions and legally required employee contributions which had been withheld from employee wages were remitted by the County to IPERS by June 30, 2021.

**(9) Other Postemployment Benefits (OPEB)**

Plan Description – The County administers a single-employer health benefit plan which provides medical, prescription drug and dental benefits for employees, retirees and their spouses. Group insurance benefits are established under Iowa Code Chapter 509A.13. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

OPEB Benefits – Individuals who are employed by Tama County and are eligible to participate in the group health plan are eligible to continue healthcare benefits upon retirement. Retirees under age 65 pay the same premium for the medical, prescription drug and dental benefits as active employees, which results in an implicit rate subsidy and an OPEB liability.



**Tama County**  
**Notes to Financial Statements (Continued)**  
**June 30, 2021**

**(9) Other Postemployment Benefits (OPEB) (continued)**

Retired participants must be age 55 or older at retirement. At June 30, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	1
Active employees	<u>110</u>
Total	<u><u>111</u></u>

Total OPEB Liability – The County’s total OPEB liability of \$90,565 was measured as of June 30, 2021 and was determined by an actuarial valuation as of June 30, 2020.

Actuarial Assumptions – The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement.

Rate of inflation (effective June 30, 2020)	3.00% per annum.
Rates of salary increase (effective June 30, 2020)	3.00% per annum, including inflation.
Discount rate (effective June 30, 2020)	2.21% compounded annually, including inflation.
Healthcare cost trend rate (effective June 30, 2020)	5.00% rate.

Discount Rate – The discount rate used to measure the total OPEB liability was 2.21% which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates are from the RP 2014 annuitant distinct mortality table adjusted to 2006 with MP-2019 generational projection of future mortality improvement. Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used by IPERS.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study with dates corresponding to those listed above.

**Tama County**  
**Notes to Financial Statements (Continued)**  
**June 30, 2021**

**(9) Other Postemployment Benefits (OPEB) (continued)**

Changes in the Total OPEB Liability

	Total OPEB Liability
Total OPEB liability beginning of year	\$ 86,886
Changes for the year:	
Service cost	1,938
Interest	1,741
Difference between expected and actual experience	-
Changes of assumptions	-
Net changes	3,679
Total OPEB liability end of year	\$ 90,565

Sensitivity of the County's Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (1.21%) or 1% higher (3.21%) than the current discount rate.

	1% Decrease (1.21%)	Discount Rate (2.21%)	1% Increase (3.21%)
Total OPEB liability	\$ 94,982	90,565	86,451

Sensitivity of the County's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (4.00%) or 1% higher (6.00%) than the current healthcare cost trend rates.

	1% Decrease (4.00%)	Healthcare Cost Trend Rate (5.00%)	1% Increase (6.00%)
Total OPEB liability	\$ 85,404	90,565	96,382

**Tama County**  
**Notes to Financial Statements (Continued)**  
**June 30, 2021**

**(9) Other Postemployment Benefits (OPEB) (continued)**

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2021, the County recognized OPEB expense of \$3,748. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,953	3,090
Changes in assumptions	4,850	2,768
Total	<u>\$ 6,803</u>	<u>5,858</u>

The amount reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ending June 30,	Amount
2022	\$ 69
2023	69
2024	69
2025	69
2026	69
Thereafter	600
Total	<u>\$ 945</u>

**(10) Tama County Employee Group Health Fund**

The Internal Service, Employee Group Health Fund was established to account for the partial self-funding of the County's health insurance benefit plan. The plan is funded by both employee and County contributions and is administered through a service agreement with First Administrators and Bernie Lowe Associates, Inc. The agreement is subject to automatic renewal provisions. The County assumes liability for claims up to the individual stop loss limitation of \$50,000. Claims in excess of coverage are insured through purchase of stop loss insurance.

# Tama County

## Notes to Financial Statements (Continued)

### June 30, 2021

#### (10) Tama County Employee Group Health Fund (continued)

Monthly payments of service fees and plan contributions to the Employee Group Health Fund are recorded as expenditures from the operating funds. Under the administrative services agreement, monthly payments of service fees and claims processed are paid to First Administrators and Bernie Lowe and Associates from the Employee Group Health Fund. The County's contribution for the year ended June 30, 2021 was \$2,235,530.

Amounts payable from the Employee Group Health Fund at June 30, 2021 total \$309,453, which is for incurred but not reported (IBNR) and reported but not paid claims. The amounts are based on actuarial estimates of the amounts necessary to pay prior-year and current-year claims and to establish a reserve for catastrophic losses. That reserve was \$1,889,786 at June 30, 2021 and is reported as a designation of the Internal Service, Employee Group Health Fund net position. A liability has been established based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires a liability for claims be reported if information prior to the issuance of the financial statements indicates it is probable a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Settlements have not exceeded the stop-loss coverage in any of the past three years. A reconciliation of changes in the aggregate liability for claims for the current year is as follows:

Unpaid claims beginning of year	\$ 301,911
Incurred claims (including claims incurred but not reported at June 30, 2021)	2,136,967
Payments:	
Payment on claims during the year	<u>2,129,425</u>
Unpaid claims end of year	<u><u>\$ 309,453</u></u>

#### (11) Risk Management

Tama County is a member in the Heartland Risk Pool, as allowed by Chapter 331.301 of the Code of Iowa. The Heartland Risk Pool (Pool) is a local government risk-sharing pool whose members include ten counties throughout the State of Iowa. The Pool was formed July 1, 1987 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials liability, property, inland marine and boiler/machinery. There have been no reductions in insurance coverage from prior years.

**Tama County**  
**Notes to Financial Statements (Continued)**  
**June 30, 2021**

**(11) Risk Management (continued)**

Each member County is responsible for the payment of member contributions to the risk pool on an annual basis. Member contributions to the risk pool are recorded as expenditures from the operating funds at the time of payment to the risk pool. In the event of payment of any loss by the risk pool, the risk pool is subrogated to the extent of such payment to all the rights of the member County against any person or other entity legally responsible for damages for said loss, and in such event, the member County is responsible for rendering all reasonable assistance, other than pecuniary assistance, to affect recovery. The risk pool is responsible for paying the reinsurance premiums on the insurance policies when due, to pay claims in accordance with the various coverages and to make other payments as required by applicable law, to establish and accumulate a reserve or reserves in amounts which are deemed advisable or required by law to carry out the purposes of the risk pool, and to pay all reasonable and necessary expenses for administering the risk pool and fund.

Initial risk of loss for the self-insured coverage is retained by the risk pool. The risk pool obtained a reinsurance policy for the year ended June 30, 2021, which covers exposures of specific losses in excess of \$750,000, with a \$250,000 corridor deductible, per occurrence up to the statutory limits for workers compensation, and in excess of \$400,000 per occurrence, up to a maximum of \$8,000,000 per occurrence, including the retention of the pool, for general liability, police professional, errors and omissions and automobile liability. The risk pool records a liability for unpaid claims based on estimates of reported and incurred but not reported claims and related loss adjustment expenses. At June 30, 2020 the risk pool reported a surplus of assets over liabilities.

The County does not report a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2021, no liability has been recorded in the County's financial statements. As of June 30, 2021, settled claims have not exceeded the risk pool reinsurance coverage since the pool's inception.

The County's property and casualty contributions to the risk pool are recorded as expenditures from its operating funds at the time of payment to the risk pool. The County's contributions to the Pool for the year ended June 30, 2021 were \$432,607.

Initial membership into the Pool is for a mandatory three-year period. Subsequent to the initial term, a member County may withdraw at the end of any given fiscal year. The initial membership period for Tama County commenced July 1, 1987 and is subject to renewal every three years. The county assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**(12) Related Party Transactions**

The County had business transactions between the County and County officials totaling \$1,324 during the year ended June 30, 2021.

**Tama County**  
**Notes to Financial Statements (Continued)**  
**June 30, 2021**

**(13) Contingent Liability**

During the year ended June 30, 1994, an underground storage tank investigation classified three former underground storage tank sites in Tama County as high risk, requiring the County to submit plans for remedial action to the Iowa Department of Natural Resources. The County is currently contesting the high-risk classification for two of the three sites. The County estimates the costs to remediate the sites under the proposed plans to be approximately \$75,000 per site. As a result, a liability for \$150,000 has been recorded in accounts payable in the Secondary Roads Fund at June 30, 2021.

The environmental impact of the sites is currently unknown and the potential liability, if any, for additional costs associated with the sites is indeterminable.

**(14) Tax Abatements**

Governmental Accounting Standards Board Statement No. 77 defines tax abatements as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

**Tax Abatements to Other Entities**

Other entities within the County also provided tax abatements for urban renewal and economic development projects pursuant to Chapter 15 and 403 of the Code of Iowa.

Property tax revenues of the County were reduced by the following amounts for the year ended June 30, 2021 under agreements entered into by the following entity:

Entity	Tax Abatement Program	Amount of Tax Abated
City of Tama	Urban renewal and economic development projects	\$ 25,142

**(15) Construction Commitment**

The County has entered into a contract totaling \$6,635,952 for the construction of radio communication towers in the county. As of June 30, 2021, costs of \$3,966,937 on the project have been incurred. The \$2,669,015 balance remaining on the project at June 30, 2021 will be paid as work on the project progresses. The County issued general obligation bonds on May 5, 2020 to fund this project.

**Tama County**  
**Notes to Financial Statements (Continued)**  
**June 30, 2021**

**(16) County Financial Information Included in the County Social Services Mental Health Region**

County Social Services Mental Health Region, a jointly governed organization formed pursuant to the provisions of Chapter 28E of the Code of Iowa includes the following member counties: Allamakee, Black Hawk, Butler, Clayton, Chickasaw, Fayette, Floyd, Grundy, Howard, Mitchell, Tama, and Winneshiek Counties. The financial activity of the County's Special Revenue, Mental Health Fund is included in the County Social Services Mental Health Region for the year ended June 30, 2021, as follows:

Revenues:		
Property and other county tax		\$ 485,316
Intergovernmental revenues:		
State tax credits	\$ 32,335	
Payments from regional fiscal agent	59,384	91,719
Charges for services		1,088
Total revenues		<u>578,123</u>
Expenditures:		
Services to persons with:		
Mental illness		43,548
General administration		
Direct administration	12,426	
Distribution to regional fiscal agent	507,120	519,546
Total expenditures		<u>563,094</u>
Excess of revenues over expenditures		15,029
Fund balance beginning of year		<u>138,983</u>
Fund balance end of year		<u>\$ 154,012</u>

**(17) COVID-19**

In March 2020, the COVID-19 outbreak was declared a global pandemic. The disruption to businesses across a range of industries in the United States continues to evolve. The full impact to local, regional and national economies, including that of Tama County, remains uncertain.

To date, the outbreak has not created a material disruption to the operations of Tama County. However, the extent of the financial impact of COVID-19 will depend on future developments, including the spread of the virus, duration and timing of the economic recovery. Due to these uncertainties, management cannot reasonably estimate the potential impact to Tama County.

**(18) Prospective Accounting Change**

Governmental Accounting Standards Board has issued Statement No. 87, Leases. This statement will be implemented for the fiscal year ending June 30, 2022. The revised requirements of this statement will require reporting certain potentially significant lease liabilities that are not currently reported.

**(19) Date of Management Evaluation**

Management has evaluated subsequent events through November 15, 2021, the date on which the financial statements were available to be issued.

## **Required Supplementary Information**



Tama County  
 Budgetary Comparison Schedule of  
 Receipts, Disbursements and Changes in Balances -  
 Budget and Actual (Cash Basis) - All Governmental Funds  
 Required Supplementary Information  
 Year Ended June 30, 2021

	Actual	Less Funds not Required to be Budgeted
Receipts:		
Property and other county tax	\$ 10,741,108	-
Interest and penalty on property tax	99,016	-
Intergovernmental	9,680,802	-
Licenses and permits	25,798	-
Charges for services	643,663	-
Use of money and property	98,746	-
Miscellaneous	522,481	-
Total receipts	<u>21,811,614</u>	<u>-</u>
Disbursements:		
Public safety and legal services	3,733,002	-
Physical health and social services	1,856,488	-
Mental health	563,205	-
County environment and education	993,532	-
Roads and transportation	7,511,392	-
Governmental services to residents	720,244	-
Administration	2,171,190	-
Non-program	1,145	-
Debt service	921,161	-
Capital projects	4,372,699	-
Total disbursements	<u>22,844,058</u>	<u>-</u>
Deficiency of receipts under disbursements	(1,032,444)	-
Other financing sources, net	<u>32,393</u>	<u>-</u>
Change in fund balances	(1,000,051)	-
Balance beginning of year	<u>14,196,802</u>	<u>859</u>
Balance end of year	<u><u>\$ 13,196,751</u></u>	<u><u>859</u></u>

Net	Budgeted Amounts		Final to Net Variance
	Original	Final	
10,741,108	11,708,599	11,708,599	(967,491)
99,016	24,652	24,652	74,364
9,680,802	10,713,671	11,089,635	(1,408,833)
25,798	21,850	21,850	3,948
643,663	595,230	595,230	48,433
98,746	149,700	149,700	(50,954)
522,481	240,193	1,378,880	(856,399)
21,811,614	23,453,895	24,968,546	(3,156,932)
3,733,002	3,879,456	3,881,429	148,427
1,856,488	1,788,821	2,199,867	343,379
563,205	585,720	585,720	22,515
993,532	983,342	1,137,660	144,128
7,511,392	9,404,119	9,404,119	1,892,727
720,244	793,860	793,860	73,616
2,171,190	1,965,285	2,965,285	794,095
1,145	9,500	208,904	207,759
921,161	965,155	965,155	43,994
4,372,699	8,074,869	8,074,869	3,702,170
22,844,058	28,450,127	30,216,868	7,372,810
(1,032,444)	(4,996,232)	(5,248,322)	4,215,878
32,393	9,000	9,000	23,393
(1,000,051)	(4,987,232)	(5,239,322)	4,239,271
14,195,943	7,940,073	7,940,073	6,255,870
13,195,892	2,952,841	2,700,751	10,495,141

Tama County  
 Budgetary Comparison Schedule -  
 Budget to GAAP Reconciliation  
 Required Supplementary Information  
 Year Ended June 30, 2021

	Governmental Funds		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	\$ 21,811,614	27,435	21,839,049
Expenditures	22,844,058	145,139	22,989,197
Net	(1,032,444)	(117,704)	(1,150,148)
Other financing sources, net	32,393	7,880	40,273
Beginning fund balances	14,196,802	359,670	14,556,472
Ending fund balances	\$ 13,196,751	249,846	13,446,597

**Tama County**  
**Notes to Required Supplementary Information-**  
**Budgetary Reporting**  
**June 30, 2021**

The budgetary comparison is presented as Required Supplementary Information in accordance with Governmental Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

In accordance with the Code of Iowa, the County Board of Supervisors annually adopts a budget on the cash basis following required public notice and hearing for all funds except blended component units, the Internal Service Fund and Custodial Funds, and appropriates the amount deemed necessary for each of the different County offices and departments. The budget may be amended during the year utilizing similar statutorily prescribed procedures. Encumbrances are not recognized on the cash basis budget and appropriations lapse at year end.

Formal and legal budgetary control is based upon ten major classes of expenditures known as functions, not by fund. These ten functions are: public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, governmental services to residents, administration, non-program, debt service and capital projects. Function disbursements required to be budgeted include disbursements for the General Fund, the Special Revenue Funds, the Debt Service Fund and the Capital Projects Fund. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. Legal budgetary control is also based upon the appropriation to each office or department. During the year, two budget amendments increased budgeted disbursements by \$1,766,741. The budget amendments are reflected in the final budgeted amounts.

In addition, annual budgets are similarly adopted in accordance with the Code of Iowa by the appropriate governing body as indicated: for the County Assessor by the County Conference Board, for the E911 System by the Joint E911 Service Board and for Emergency Management Services by the County Emergency Management Commission.

During the year ended June 30, 2021, disbursements did not exceed the amounts budgeted however, disbursements in certain departments exceeded the amounts appropriated.

Tama County  
Schedule of the County's Proportionate Share of the Net Pension Liability  
Iowa Public Employees' Retirement System  
For the Last Seven Years\*  
Required Supplementary Information

	2021	2020
County's proportion of the net pension liability	0.0638900 %	0.0664194 %
County's proportionate share of the net pension liability	\$ 4,488,107	3,846,120
County's covered payroll	\$ 6,252,056	6,342,241
County's proportionate share of the net pension liability as a percentage of its covered payroll	71.79 %	60.64 %
IPERS' net position as a percentage of the total pension liability	82.90 %	85.45 %

\* In accordance with GASB Statement No. 68, the amounts presented for each fiscal year were determined as of June 30 of the preceeding fiscal year.

2019	2018	2017	2016	2015
0.0675148 %	0.0710189 %	0.0699384 %	0.0669474 %	0.065245 %
4,272,500	4,730,756	4,401,445	3,307,525	2,589,999
6,099,631	6,060,996	5,785,228	5,545,341	5,464,658
70.05 %	78.05 %	76.08 %	59.65 %	47.40 %
83.62 %	82.21 %	81.82 %	85.19 %	87.61 %

Tama County  
Schedule of County Contributions  
Iowa Public Employees' Retirement System  
For the Last Ten Years  
Required Supplementary Information

		2021	2020	2019	2018
Statutorily required contribution	\$	616,567	592,383	604,643	550,808
Contributions in relation to the statutorily required contribution		(616,567)	(592,383)	(604,643)	(550,808)
Contribution deficiency (excess)	\$	-	-	-	-
County's covered payroll	\$	6,541,145	6,252,056	6,342,241	6,099,631
Contributions as a percentage of covered payroll		9.43%	9.48%	9.53%	9.03%

2017	2016	2015	2014	2013	2012
549,705	526,621	506,994	498,564	482,179	445,481
(549,705)	(526,621)	(506,994)	(498,564)	(482,179)	(445,481)
-	-	-	-	-	-
6,060,996	5,785,228	5,545,341	5,464,658	5,406,121	5,295,941
9.07%	9.10%	9.14%	9.12%	8.92%	8.41%



Tama County  
Notes to Required Supplementary Information – Pension Liability  
Year Ended June 30, 2021

Changes of benefit terms:

There are no significant changes in benefit terms.

Changes of assumptions:

The 2018 valuation implemented the following refinements as a result of a demographic assumption study dated June 28, 2018:

- Changed mortality assumptions to the RP-2014 mortality tables with mortality improvements modeled using Scale MP-2017.
- Adjusted retirement rates.
- Lowered disability rates.
- Adjusted the probability of a vested Regular member electing to receive a deferred benefit.
- Adjusted the merit component of the salary increase assumption.

The 2017 valuation implemented the following refinements as a result of an experience study dated March 24, 2017:

- Decreased the inflation assumption from 3.00% to 2.60%.
- Decreased the assumed rate of interest on member accounts from 3.75% to 3.50% per year.
- Decreased the discount rate from 7.50% to 7.00%.
- Decreased the wage growth assumption from 4.00% to 3.25%.
- Decreased the payroll growth assumption from 4.00% to 3.25%.

The 2014 valuation implemented the following refinements as a result of a quadrennial experience study:

- Decreased the inflation assumption from 3.25% to 3.00%.
- Decreased the assumed rate of interest on member accounts from 4.00% to 3.75% per year.
- Adjusted male mortality rates for retirees in the Regular membership group.
- Reduced retirement rates for sheriffs and deputies between the ages of 55 and 64.
- Moved from an open 30-year amortization period to a closed 30-year amortization period for the UAL (unfunded actuarial liability) beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20-year period.

**Tama County**  
**Schedule of Changes in the County's**  
**Total OPEB Liability, Related Ratios and Notes**  
**For the Last Four Years**  
**Required Supplementary Information**

	2021	2020	2019	2018
Service cost	\$ 1,938	1,429	1,387	1,277
Interest cost	1,741	3,042	2,866	3,217
Difference between expected and actual experience	-	(3,672)	-	2,897
Changes in assumptions	-	5,764	-	(4,100)
Benefit payments	-	-	-	-
Net change in total OPEB liability	3,679	6,563	4,253	3,291
Total OPEB liability beginning of year	86,886	80,323	76,070	72,779
Total OPEB liability end of year	<u>\$ 90,565</u>	<u>86,886</u>	<u>80,323</u>	<u>76,070</u>
Covered-employee payroll	\$ 6,213,981	5,716,099	5,908,665	6,005,514
Total OPEB liability as a percentage of covered-employee payroll	1.46%	1.52%	1.36%	1.20%

**Notes to Schedule of Changes in the County's Total OPEB Liability and Related Ratios**

*Changes in benefit terms:*

There were no significant changes in benefit terms.

*Changes in assumptions:*

Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period.

Year ended June 30, 2021	2.21%
Year ended June 30, 2020	2.21%
Year ended June 30, 2019	3.87%
Year ended June 30, 2018	3.87%
Year ended June 30, 2017	4.00%

## **Supplementary Information**

Tama County  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2021

	Special Revenue			
	Resource Enhancement and Protection	County Recorder's Records Management	County Sheriff's Forfeiture Fund	County Attorney's Forfeiture Fund
<b>Assets</b>				
Cash, cash equivalents and pooled investments	\$ 58,485	14,790	2,282	12,021
Receivables:				
Property tax:				
Delinquent	-	-	-	-
Succeeding year tax increment financing	-	-	-	-
Due from other governments	-	-	-	-
<b>Total assets</b>	<b>\$ 58,485</b>	<b>14,790</b>	<b>2,282</b>	<b>12,021</b>
<b>Deferred Inflows of Resources and Fund Balances</b>				
Deferred inflows of resources:				
Unavailable revenues:				
Succeeding year tax increment financing	-	-	-	-
Other	-	-	-	-
Total deferred inflows of resources	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund balances:				
Restricted for:				
Other purposes	58,485	14,790	2,282	12,021
Total fund balances	<b>58,485</b>	<b>14,790</b>	<b>2,282</b>	<b>12,021</b>
<b>Total deferred inflows of resources and fund balances</b>	<b>\$ 58,485</b>	<b>14,790</b>	<b>2,282</b>	<b>12,021</b>

Tax			
Increment	Tobacco	Drainage	
Financing	Compliance	District	Total
132,466	6,545	859	227,448
7,646	-	-	7,646
497,369	-	-	497,369
-	225	-	225
637,481	6,770	859	732,688
497,369	-	-	497,369
7,646	-	-	7,646
505,015	-	-	505,015
132,466	6,770	859	227,673
132,466	6,770	859	227,673
637,481	6,770	859	732,688

Tama County  
Combining Schedule of Revenues, Expenditures and  
Changes in Fund Balances  
Nonmajor Governmental Funds  
Year Ended June 30, 2021

	Special Revenue			
	Resource Enhancement and Protection	County Recorder's Records Management	County Sheriff's Forfeiture Fund	County Attorney's Forfeiture Fund
Revenues:				
Tax increment financing	\$ -	-	-	-
Intergovernmental	11,488	-	-	-
Charges for service	-	3,863	-	-
Use of money and property	211	48	-	-
Total revenues	11,699	3,911	-	-
Expenditures:				
Operating:				
Public safety and legal services	-	-	-	-
Governmental services to residents	-	4,963	-	-
Total expenditures	-	4,963	-	-
Excess (deficiency) of revenues over (under) expenditures	11,699	(1,052)	-	-
Other financing uses:				
Transfers out	-	-	-	-
Change in fund balances	11,699	(1,052)	-	-
Fund balances beginning of year	46,786	15,842	2,282	12,021
Fund balances end of year	\$ 58,485	14,790	2,282	12,021

Tax			
Increment	Tobacco	Drainage	
Financing	Compliance	District	Total
466,036	-	-	466,036
-	1,665	-	13,153
-	-	-	3,863
-	-	-	259
466,036	1,665	-	483,311
-	210	-	210
-	-	-	4,963
-	210	-	5,173
466,036	1,455	-	478,138
(459,600)	-	-	(459,600)
6,436	1,455	-	18,538
126,030	5,315	859	209,135
132,466	6,770	859	227,673

Tama County  
Combining Schedule of Fiduciary Net Position  
Custodial Funds  
June 30, 2021

	County Offices		Agricultural	
	County Recorder	County Sheriff	Extension Education	County Assessor
<b>Assets</b>				
Cash, cash equivalents and pooled investments:				
County Treasurer	\$ -	-	2,852	383,570
Other County officials	21,545	83,432	-	-
Receivables:				
Property tax:				
Delinquent	-	-	656	1,214
Succeeding year	-	-	266,000	450,000
Accounts	2,620	-	-	-
Assessments	-	-	-	-
Due from other governments	-	-	-	-
<b>Total assets</b>	<b>24,165</b>	<b>83,432</b>	<b>269,508</b>	<b>834,784</b>
<b>Liabilities</b>				
Accounts payable	-	-	-	225
Salaries and benefits payable	-	-	-	2,552
Due to other governments	24,165	-	3,508	-
Trusts payable	-	83,432	-	-
Compensated absences	-	-	-	23,431
<b>Total liabilities</b>	<b>24,165</b>	<b>83,432</b>	<b>3,508</b>	<b>26,208</b>
<b>Deferred Inflows of Resources</b>				
Unavailable revenues	-	-	266,000	450,000
<b>Net Position</b>				
Restricted for individuals, organizations and other governments	\$ -	-	-	358,576



## Schedule 3

Schools	Community Colleges	Corporations	Townships	Special Assessments	Auto License and Use Tax	Emergency Management Services	E911
170,902	18,651	75,512	4,203	1,767	588,943	65,099	466,155
-	-	-	-	-	-	-	-
41,345	909	33,903	462	-	-	-	-
14,009,460	1,644,604	4,959,332	398,369	-	-	-	-
-	-	-	-	-	-	-	9,462
-	-	-	-	79,161	-	-	-
-	-	-	-	-	-	-	79,467
14,221,707	1,664,164	5,068,747	403,034	80,928	588,943	65,099	555,084
-	-	-	-	-	-	383	2,486
-	-	-	-	-	-	-	14,716
212,247	19,560	109,415	4,665	80,928	588,943	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	41,976
212,247	19,560	109,415	4,665	80,928	588,943	383	59,178
14,009,460	1,644,604	4,959,332	398,369	-	-	-	-
-	-	-	-	-	-	64,716	495,906

**Tama County**  
**Combining Schedule of Fiduciary Net Position (Continued)**  
**Custodial Funds**  
**June 30, 2021**

Schedule 3

	Economic Development	Sanitary Landfill	Third Party Payees	Other	Total
<b>Assets</b>					
Cash, cash equivalents and pooled investments:					
County Treasurer	\$ 47,530	556,786	6,743	78,180	2,466,893
Other County officials	-	-	-	-	104,977
Receivables:					
Property tax:					
Delinquent	-	-	-	8	78,497
Succeeding year	-	-	-	18,035	21,745,800
Accounts	-	107,185	-	-	119,267
Assessments	-	-	-	-	79,161
Due from other governments	-	-	-	-	79,467
<b>Total assets</b>	<b>47,530</b>	<b>663,971</b>	<b>6,743</b>	<b>96,223</b>	<b>24,674,062</b>
<b>Liabilities</b>					
Accounts payable	441	20,720	-	-	24,255
Salaries and benefits payable	3,966	5,549	-	-	26,783
Due to other governments	-	-	-	73,343	1,116,774
Trusts payable	-	-	6,743	-	90,175
Compensated absences	5,022	7,585	-	-	78,014
<b>Total liabilities</b>	<b>9,429</b>	<b>33,854</b>	<b>6,743</b>	<b>73,343</b>	<b>1,336,001</b>
<b>Deferred Inflows of Resources</b>					
Unavailable revenues	-	-	-	18,035	21,745,800
<b>Net Position</b>					
Restricted for individuals, organizations and other governments	\$ 38,101	630,117	-	4,845	1,592,261

Tama County  
Combining Schedule of Changes in Fiduciary Net Position  
Custodial Funds  
Year Ended June 30, 2021

	County Offices			Agricultural
	County Auditor	County Recorder	County Sheriff	Extension Education
Additions:				
Property and other county tax	\$ -	-	-	253,214
E911 surcharge	-	-	-	-
State tax credits	-	-	-	14,984
Interest	-	-	-	-
Office fees and collections	7,967	426,650	470,246	-
Auto licenses, drivers license, use tax and postage	-	-	-	-
Assessments	-	-	-	-
Trusts	-	-	346,792	-
Reimbursements from other governments	-	-	-	-
Miscellaneous	-	-	-	-
Total additions	7,967	426,650	817,038	268,198
Deductions:				
Agency remittances:				
To other funds	7,967	177,655	403,287	-
To other governments	-	248,995	6,031	268,198
Trusts paid out	-	-	407,720	-
Total deductions	7,967	426,650	817,038	268,198
Changes in net position	-	-	-	-
Net position beginning of year	-	-	-	-
Net position end of year	\$ -	-	-	-

County Assessor	Schools	Community Colleges	Corporations	Townships	Special Assessments	Auto License and Use Tax
425,706	13,261,226	1,553,904	4,701,484	382,971	-	-
-	-	-	-	-	-	-
27,740	905,754	100,137	577,985	16,753	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	7,669,847
-	-	-	-	-	19,191	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
50	-	-	-	-	-	-
453,496	14,166,980	1,654,041	5,279,469	399,724	19,191	7,669,847
-	-	-	-	-	-	266,142
896,221	14,166,980	1,654,041	5,279,469	399,724	19,191	7,403,705
-	-	-	-	-	-	-
896,221	14,166,980	1,654,041	5,279,469	399,724	19,191	7,669,847
(442,725)	-	-	-	-	-	-
801,301	-	-	-	-	-	-
358,576	-	-	-	-	-	-

Tama County  
Combining Schedule of Changes in Fiduciary Net Position  
Custodial Funds (Continued)  
Year Ended June 30, 2021

	Emergency Management Services	E911	Economic Development	Sanitary Landfill
Additions:				
Property and other county tax	\$ -	-	-	-
E911 surcharge	-	244,646	-	-
State tax credits	-	-	-	-
Interest	-	2,015	-	-
Office fees and collections	-	-	-	-
Auto licenses, drivers license, use tax and postage	-	-	-	-
Assessments	-	-	-	-
Trusts	-	-	-	-
Reimbursements from other governments	440,885	406,959	155,634	-
Miscellaneous	13,430	144	21,349	1,116,588
Total additions	454,315	653,764	176,983	1,116,588
Deductions:				
Agency remittances:				
To other funds	-	-	-	-
To other governments	393,020	555,969	207,443	809,282
Trusts paid out	-	-	-	-
Total deductions	393,020	555,969	207,443	809,282
Changes in net position	61,295	97,795	(30,460)	307,306
Net position beginning of year	3,421	398,111	68,561	322,811
Net position end of year	\$ 64,716	495,906	38,101	630,117

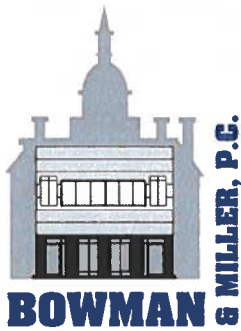
Third Party Payees	Other	Total
-	81,111	20,659,616
-	-	244,646
-	814	1,644,167
-	-	2,015
-	3,799	908,662
-	-	7,669,847
-	-	19,191
25,781	143,896	516,469
-	-	1,003,478
-	2,256	1,153,817
25,781	231,876	33,821,908
-	-	855,051
-	81,037	32,389,306
25,781	150,839	584,340
25,781	231,876	33,828,697
-	-	(6,789)
-	4,845	1,599,050
-	4,845	1,592,261

**Tama County**  
**Schedule of Revenues By Source and Expenditures By Function -**  
**All Governmental Funds**  
**For the Last Ten Years**

	2021	2020	2019
<b>Revenues:</b>			
Property and other county tax	\$ 9,561,584	9,150,487	8,953,997
Tax increment financing	466,036	413,583	345,119
Local option sales tax	736,537	613,415	666,176
Interest and penalty on property tax	96,377	29,053	64,272
Intergovernmental	9,702,800	7,105,378	7,053,289
Licenses and permits	26,473	18,710	14,414
Charges for service	641,892	684,722	673,493
Use of money and property	98,747	217,130	277,510
Miscellaneous	508,603	103,222	134,580
<b>Total</b>	<b>\$ 21,839,049</b>	<b>18,335,700</b>	<b>18,182,850</b>
<b>Expenditures:</b>			
Operating:			
Public safety and legal services	\$ 3,765,172	3,600,742	3,564,399
Physical health and social services	1,865,364	1,762,014	1,639,695
Mental health	563,094	716,516	910,268
County environment and education	1,006,687	778,854	795,983
Roads and transportation	7,529,706	8,553,292	8,731,196
Governmental services to residents	724,247	617,526	551,663
Administration	2,192,709	1,700,096	1,578,009
Non-program	1,154	2,826	12,133
Debt service	908,161	6,882,161	569,835
Capital projects	4,432,903	708,384	1,479,682
<b>Total</b>	<b>\$ 22,989,197</b>	<b>25,322,411</b>	<b>19,832,863</b>

Modified Accrual Basis						
2018	2017	2016	2015	2014	2013	2012
8,662,570	8,662,026	8,360,821	7,967,876	7,828,537	7,470,818	7,323,476
277,102	192,386	-	-	-	-	-
543,380	584,834	623,187	606,153	569,345	664,429	523,422
59,603	63,967	57,094	57,174	79,320	60,454	60,797
7,442,527	7,697,518	7,307,458	7,775,009	6,498,355	5,853,067	6,584,301
22,276	25,003	16,239	18,600	17,265	22,293	18,376
771,451	739,776	734,430	682,562	636,339	617,317	640,020
143,627	98,573	90,141	99,799	190,935	215,392	212,935
105,127	80,255	108,037	182,796	215,619	137,699	377,097
18,027,663	18,144,338	17,297,407	17,389,969	16,035,715	15,041,469	15,740,424
3,528,069	3,522,416	3,193,127	3,150,681	3,263,277	3,245,882	3,010,353
1,575,159	1,525,032	1,507,472	1,523,657	1,435,140	1,383,602	1,346,402
944,682	933,007	818,015	808,538	1,176,542	1,491,944	1,571,825
802,835	936,070	981,040	701,612	787,174	716,407	716,950
7,189,245	7,243,304	6,554,436	6,449,443	6,045,270	7,650,662	7,479,524
528,690	518,372	522,006	490,553	498,158	485,973	478,762
1,502,160	1,445,871	1,336,998	1,303,727	1,285,664	1,186,470	1,027,543
1,502	4,180	7,679	67	943	2,002	1,307
571,135	349,060	250,485	155,485	200,751	119,549	-
1,121,592	844,908	696,424	3,431,208	6,307,406	666,947	287,390
17,765,069	17,322,220	15,867,682	18,014,971	21,000,325	16,949,438	15,920,056





C E R T I F I E D   ♦   P U B L I C   ♦   A C C O U N T A N T S

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Independent Auditors' Report on Internal Control over  
Financial Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed in Accordance with  
Government Auditing Standards

To the Officials of Tama County:

We have audited in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Tama County, Iowa, as of and for the year ended June 30, 2021, and the related Notes to Financial Statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated November 15, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Tama County's internal control over financial reporting to determine the audit procedures appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Tama County's internal control. Accordingly, we do not express an opinion on the effectiveness of Tama County's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility a material misstatement of the County's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings as item II-A-21 that we consider to be a material weakness.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Tama County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of non-compliance or other matters which are described in Part III of the accompanying Schedule of Findings.

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2021 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the County. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

### Tama County's Responses to the Findings

Tama County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings. Tama County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

### Purpose of the Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Tama County during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

*Bowman and Miller, P.C.*

November 15, 2021

Tama County  
Schedule of Findings  
Year Ended June 30, 2021

**Part I: Summary of the Independent Auditors' Results:**

- (a) Unmodified opinions were issued on the financial statements prepared in accordance with U.S. general accepted accounting principles.
- (b) A material weakness in internal control over financial reporting was disclosed by the audit of the financial statements.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.

Tama County  
Schedule of Findings (Continued)  
Year Ended June 30, 2021

**Part II: Findings Related to the Financial Statements:**

**INSTANCES OF NON-COMPLIANCE:**

No matters were reported.

**INTERNAL CONTROL DEFICIENCY:**

**II-A-21 Segregation of Duties**

Criteria – Management is responsible for establishing and maintaining internal control. A good system of internal control provides for adequate segregation of duties so no one individual handles a transaction from its inception to completion. In order to maintain proper internal control, duties should be segregated so the authorization, custody and recording of transactions are not under the control of the same employee. This segregation of duties helps prevent losses from employee error or dishonesty and maximizes the accuracy of the County's financial statements.

Condition – Generally, one or two individuals in the offices identified may have control over the following areas for which no compensating controls exist:

	<u>Applicable Offices</u>
(1) Incoming mail is not opened by an employee who is not authorized to make entries to the accounting records. A listing of cash and checks received is not prepared.	County Recorder
(2) Bank reconciliations are not prepared by someone who doesn't sign checks, handle or record cash.	County Recorder and County Sheriff
(3) Responsibilities for collection, deposit preparation and reconciliation functions are not segregated from those recording and accounting for cash.	County Recorder and County Sheriff
(4) The person who signs checks is not independent of the person preparing checks, approving disbursements, recording cash disbursements and handling cash.	County Recorder, County Sheriff and County Treasurer

Cause – The County offices noted above have a limited number of employees and procedures have not been designed to adequately segregate duties or provide compensating controls through additional oversight of transactions and processes.

Effect – Inadequate segregation of duties could adversely affect the County's ability to prevent or detect and correct misstatements, errors or misappropriation on a timely basis by employees in the normal course of performing their assigned functions.

Tama County  
Schedule of Findings (Continued)  
Year Ended June 30, 2021

**Part II: Findings Related to the Financial Statements (continued):**

**INTERNAL CONTROL DEFICIENCY (continued):**

Recommendation – Each official should review the control activities of their office to obtain the maximum internal control possible under the circumstances. The official should utilize current personnel, including elected officials, to provide additional control through review of financial transactions, reconciliations and reports.

Responses:

County Treasurer – We will utilize all of the staff in our office to continue to work on segregating duties where possible.

County Recorder – With a limited number of personnel in the office it is difficult to separate duties, but will rotate duties where possible in the future.

County Sheriff – We will utilize all of the staff in our office and increase the review procedures.

Conclusion – Response accepted.

**Part III: Other Findings Related to Required Statutory Reporting:**

III-A-21 Certified Budget – Disbursements during the year ended June 30, 2021 did not exceed the amounts budgeted however, disbursements in certain departments exceeded the amounts appropriated.

Recommendation – Chapter 331.434(6) of the Code of Iowa authorizes the Board of Supervisors, by resolution, to increase or decrease appropriations of one office or department by increasing or decreasing the appropriation of another office or department as long as the function budget is not increased. Such increases or decreases should be made before disbursements are allowed to exceed the appropriation.

Response – We will monitor department expenditures more closely in the future.

Conclusion – Response accepted.

III-B-21 Questionable Expenditures – In accordance with Article III, Section 31 of the Iowa Constitution and an Attorney General's opinion dated April 25, 1979, public funds may only be spent for public benefit. Certain expenditures were noted which we believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 since the public benefits to be derived have not been clearly documented. These expenditures are detailed as follows:

**Tama County**  
**Schedule of Findings (Continued)**  
**Year Ended June 30, 2021**

**Part III: Other Findings Related to Required Statutory Reporting (continued):**

<u>Paid to</u>	<u>Purpose</u>	<u>Amount</u>
Retro Rooster	Gift cards for economic development Jump Start Program	\$ 125
Tama Florist	Gift cards for economic development Jump Start Program	125
Bobby's Grocery and Barbecque	Meals for 45 secondary road employees at a safety meeting	522

According to the opinion, it is possible for certain expenditures to meet the test of serving a public purpose under certain circumstances, although such items will be subject to a deserved close scrutiny. The line to be drawn between a proper and improper purpose is very thin.

Recommendation – The Board of Supervisors and the Economic Development Board should determine and document public purpose served by these types of expenditures prior to authorizing any further payments. If this practice is continued, the County, Economic Development Board should establish written policies and procedures, including requirements for proper public purpose determination.

Response – We will discuss this issue at our next department head meeting and will inform department heads that these types of expenditures will need to be documented for the public purpose served.

Conclusion – Response accepted.

III-C-21 Travel Expense – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.

III-D-21 Business Transactions – Business transactions between the County and County officials or employees are detailed as follows:

<u>Name, Title, and Business Connection</u>	<u>Transaction Description</u>	<u>Amount</u>
Kendall Jordan, Board of Supervisor Part Owner of S&S Car Wash	Truck and car washes	\$ 1,264
Deb Kupka, County Recorder	Cookies for election workers	60

In accordance with Chapter 331.342(2)(j) of the Code of Iowa, the transactions with the Board of Supervisor member and County Recorder do not appear to represent a conflict of interest since total transactions with the individuals were less than \$6,000 during the fiscal year.

**Tama County**  
**Schedule of Findings (Continued)**  
**Year Ended June 30, 2021**

**Part III: Other Findings Related to Required Statutory Reporting (continued):**

- III-E-21 Restricted Donor Activity – No transactions were noted between the County, County officials, County employees and restricted donors in compliance with Chapter 68B of the Code of Iowa.
- III-F-21 Bond Coverage – Surety bond coverage of County officials and employees is in accordance with statutory provisions. The amount of all bonds should be periodically reviewed to ensure the coverage is adequate for current operations.
- III-G-21 Board Minutes – No transactions were found that we believe should have been approved in the Board minutes but were not.
- III-H-21 Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the County's investment policy were noted.
- III-I-21 Resource Enhancement and Protection Certification – The County properly dedicated property tax revenue to conservation purposes as required by Chapter 455A.19(1)(b) of the Code of Iowa in order to receive the additional REAP funds allocated in accordance with subsections (b)(2) and (b)(3).
- III-J-21 Annual Urban Renewal Report – The Annual Urban Renewal Report was properly approved and certified to the Iowa Department of Management on or before December 1 and no exceptions were noted.
- III-K-21 County Assessor – During the year ended June 30, 2021 the County Assessor exceeded his budget.

Recommendation – The County Assessor budget should have been amended before disbursements were allowed to exceed the budget.

Response – I did not realize my expenditures were greater than what I had budgeted until it was pointed out to me. I was trying to keep the budget as close to the previous year as I could and I thought we were going to be alright as we had been building reserves for our reappraisal project. Due to those reserves I thought the large expenditure would be accounted for. I will watch my budgeting more closely in the next fiscal year and if necessary, I will request a budget amendment.

Conclusion – Response accepted.

## **Tama County Audit Staff**

This audit was performed by:

**Bowman and Miller, P.C.  
Certified Public Accountants  
Marshalltown, Iowa**

### **Personnel:**

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